Kerala Gazette No. 25 dated 24th June 1958.

GOVERNMENT OF KERALA.

FINANCE DEPARTMENT.

NOTIFICATION.

No. 24638/58/Fin (WM) 5.

Dated, Trivandrum the 24th June 1958.

4½ per cent Kerala State Development Loan 1970 issued at Rs. 99·00 per cent and redeemable at par on 15th July 1970.

1. Object.—The proceeds of the loan will be used for the repayment of the 3% Cochin Loan 1955-58 (Outstanding liability Rs. 1 crore) and for meeting the Capital Outlay on the Development Schemes undertaken under the II Five Year Plan.

2. *Security for loan.*—In accordance with Article 293 (1) of the Constitution of India, the loan will be secured on the Consolidated Fund of the Government of Kerala.

The consent of the Central Government has been obtained to the floatation of this loan as required by Article 293 (3) of the Constitution of India.

3. *Description.*—The loan will be briefly described as the 4½ per cent. Kerala State Development Loan, 1970.

4. *Amount of issue.*—The amount of the loan will be Rs. 300 lakhs.

5. *Issue price.*—The issue price will be Rs. 99·00 for every Rs. 100 of the loan applied for.

6. *Subscriptions.*—Subscriptions will be received from 15th July 1958 to 19th July 1958 both days inclusive. Subscriptions may be in the form of cash or of securities of the 3 per cent. Cochin Loan 1955-58. The loan will be closed without notice as soon as it appears that the total subscriptions amount approximately to Rs. 300 lakhs and in any case not later than the close of business on 19th July 1958. The Government reserves the right to retain subscriptions received upto ten per cent in excess of the sum of Rs. 300 lakhs.

7. *Partial allotment.*—If the total subscriptions exceed the sum of Rs. 330 lakhs, partial allotment will be made to subscribers in cash. If partial allotment is made, the balance of the sum paid at the time of application will be refunded as soon as possible after allotment. No interest will be paid on the amounts so refunded.

8. *Date of Repayment.*—The loan will have a currency of 12 years from 15th July 1958 and will be repaid at par on the 15th July 1970.

9. *Interest.*—The loan will bear interest at the rate of 4½ per cent. per annum from 15th July 1958. Interest will be payable half yearly on 15th January and 15th July and will be subject to income-tax.

Refunds of income-tax will be obtainable by holders of the loan who are not liable to income-tax or who are liable to income-tax at a lower rate. An individual holder can also obtain on application a certificate from the income-tax Officer of the District authorising deduction of income-tax at the rate applicable in his case when tax will be deducted at that rate instead of at the maximum rate.

10. *Place of payment of interest.*—Interest will be paid at any treasury or sub-treasury in the State of Kerala and at the Public Debt Offices at Bombay, Calcutta, New Delhi, Madras and Bangalore.

11. *Conversion terms.*—Securities of the 3 per cent. Cochin Loan 1955-58, will be accepted in payment of subscriptions to the 4½ per cent. Kerala State Development Loan 1970 at Rs. 100 per Rs. 100 nominal of the loan tendered. If the cash value of the securities tendered is not an exact multiple of the issue price per cent. of the new loan applied for, the tenderer will receive in cash at the time of issue of the new securities the amount by which the value of the loan tendered exceeds the nearest lower multiple of the issue price.

Interest due on the securities of the 3 per cent. Cochin Loan 1955-58, tendered for conversion will be paid up to and including the 14th July 1958 at the rate of 3 per cent. per annum at the time of issue of the new securities.

12. *Form of securities.* — The loan will be issued in the form of —

(1) Stock, the applicants for which will be given Stock Certificates, or

(2) Promissory Notes.

If no preference is stated by the applicants, the securities will be issued in the form of Promissory Notes which are transferable by endorsement.

13. *Applications for loan.* — (1) Applications for the loan must be for Rs. 100, or for a multiple of that sum.

(2) Applications will be received at—

(a) the offices of the Reserve Bank of India, Bombay, Calcutta, New Delhi, Madras and Bangalore,

(b) the branches of the State Bank of India within the State of Kerala, and

(c) the Government treasuries and sub-treasuries in the State of Kerala at places where there is no branch of the State Bank of India.

(3) Applications may be made in the form attached hereto (printed copies of which are available at the places mentioned in sub-paragraph (2) above) or in any other form which states clearly the amount and description of the securities required, the full name and address of the applicant and the Public Debt Office or treasury or sub-treasury at which he desires that interest shall be paid.

14. *Method of paying subscriptions.*—Applications should be accompanied by the necessary payment in any of the forms mentioned below :—

(a) *Cash or cheques.*—Cheques tendered at offices of the Reserve Bank of India or the State Bank of India or at the treasuries should be drawn in favour of the Bank or the Treasury Officer concerned. When a cheque is tendered in payment of the application money, the security will not be issued until the amount of the cheque has been realised.

(b) 3 per cent. Cochin Loan 1955-58.—Applicants who tender securities in payment must transfer such securities to Government—

(i) in the case of Stock Certificates by signing the form of transfer deed on the reverse of the Certificate before a witness;

(ii) in the case of Promissory Notes, by endorsing them in the manner indicated below:—

"Pay to the Governor of Kerala".

15. *Brokerage.*—Brokerage will be paid at the rate of 12 naye Paise per cent. to recognised banks and brokers on allotments made in respect of applications for the loan bearing their stamp.

16. *Depreciation Fund.*—The Government of Kerala will provide in each financial year from 1959-60 to 1969-70 inclusive, a sum equal to 1½ per cent. of the total nominal amount of the loan to be used for purchasing the securities of the loan for cancellation.

17. *Sinking Fund.*—The Government of Kerala will also make such annual contributions to a Sinking Fund to be utilised towards the amortisation of their open market loans, as they may from time to time decide to be necessary.

18. *Public Debt Office.*—The State Public Debt Office will be located at the Public Debt Office, Madras.

By order of the Governor,

P. I. Jacob,

Finance Secretary to Government.

Kerala Gazette No. 25 dated 24th June 1958.

GOVERNMENT OF KERALA

FINANCE (WAYS & MEANS) DEPARTMENT

PRESS COMMUNIQUE

Dated 24th June 1958.

Four and a quarter per cent. Kerala State Development Loan, 1970

(Financial and Budgetary position of the Government of Kerala.)

Subscriptions for the 4¼ per cent. Kerala State Development Loan 1970 will be received from the 15th July 1958 at the Offices of the Reserve Bank of India at Madras, Bombay, Calcutta, New Delhi, and Bangalore and Branches of the State Bank of India within the State of Kerala and at the District and Sub-Treasuries of the State. Details in regard to the terms of the Loan are contained in the Finance Department Notification No. 24638/58/Fin. (W. M.) 5, dated the 24th June 1958 published in the Kerala Government Gazette of that date. The proceeds of the Loan are intended to be utilised for the repayment of the 3 per cent. Cochin Loan 1955-58 (outstanding liability of Rs. 1 crore) and for financing the Development Schemes under the State's Second Five Year Plan. A brief resume of the Budgetary and financial position of the State is given below:—

Note.—The figures given below are provisional as the allocation of assets and liabilities between Madras and Kerala consequent on the Reorganisation of States has not yet been finalised.

Budgetary Position.

2. The Kerala State was formed on 1-11-1956. The first Budget of the State was framed for the last five months of 1956-57. The transactions in the "Revenue Account" for 1956-57 (last five months) ended with a surplus of Rs. 1.67 crores. The accounts of 1957-58 have not yet been finalised. According to the Revised Estimates, the transactions of the year are anticipated to close with a small revenue deficit of Rs. 0·20 crore. This deficit can be attributed to the accelerated pace of development expenditure incurred during the year and its size is negligible.

Assets and Liabilities.

3. The total public debt of the Kerala Government as on the 31st March 1958 according to the preliminary accounts of March was about Rs. 39·46 crores, of which Rs. 30.11 crores represent the loan received by the State from the Government of India and Rs. 6.8 crores represent open market loans raised for financing the expenditure on irrigation, electricity and other development schemes and also for re-lending to Local Bodies, Agriculturists, etc. The balance mainly represents temporary ways and means advances received from the Reserve Bank of India.

Out of the total Open Market Loans aggregating Rs. 6·8 crores, a sum of Rs. 0.16 crore is repayable by the Government of India as their share of the State's public debt in accordance with the terms of the Federal Financial Integration. Against the balance of Rs. 6.64 crores, which alone is the liability of the State Government, the total contribution made to the General Sinking Fund to the end of 1957-58 is Rs. 1.75 crores. Thus it will be seen that the provision made for the amortisation of the State's open market loans amounts to 26.3% of the amount outstanding. A substantial portion of the Sinking Fund stands specifically invested in Government Securities.

The other main Interest-bearing liabilities of the Government as on 31-3-1958 amounted to Rs. 12.40 crores as detailed below:—

		Rs. (in crores)
Savings Bank Deposits	..	2.72
Provident Fund Deposits	..	3.18
Reserve Fund of Electricity, Transport and other Commercial concerns	..	3.83
Special Loans	..	0.12
State Insurance Fund	..	2.55
Total	..	12·40

The total liability on which interest is payable thus amounted to about Rs. 51·86 crores as on 31st March, 1958. The total interest charges according to the Budget Estimate 1958-59 are only about Rs. 1·84 crores per annum against which a sum of Rs. 0·60 crore is realisable by way of Interest on Capital invested in Government Commercial concerns. The net effect is thus a debit of Rs. 1·24 crores only to Revenue Account.

4. Besides the liabilities referred to above, the Government have some liabilities on account of various deposits received by them from Local funds and from the public from time to time. Government have also given guarantees to the extent of about Rs. 3·20 crores to certain quasi-Government and other Commercial institutions as detailed below:—

		Rs. (in lakhs.)
Travancore Credit Bank (in liquidation)	..	70·00
Cochin Co-operative Land Mortgage Bank	..	49·90
Indo-Mercantile Bank, Ltd.	..	19·00
Trichur Municipality	..	6·50
Electrical and Allied Industries	..	3·50
Sitaram Spinning and Weaving Mills	..	15·00
Kerala State Co-operative Bank	..	125·00
F. X. Pereira Minerals	..	4·00
Cochin Cottage Industries Co-operative Marketing Society	..	1·00
Cashewnut Factories of Sri A. Thangal Kunju Musaliar	..	20·00
Sreemoolam Handloom Weavers' Co-operative Society	..	2·00
Chockolas Spinning and Weaving Mills	..	3·00
Cochin Mahalaxmi Cotton Mills	..	1·50
Total	..	320·40

5. Against the liabilities mentioned above, the Government own capital and remunerative assets and other Investments worth about 61 crores as shown below:—

		Rs. (in crores based on preliminary accounts March '58).
Irrigation, etc. Schemes	..	7·79
Electricity Schemes	..	24·00
Loans and Advances made by the State Government	..	8·76
Investments in State Transport and other Government Commercial Undertakings and investments in Shares of Commercial Concerns	..	11·30
Surplus investments in Gilt-edged Securities, Bullion accounts, Short-term Deposits in Banks	..	8·94
Total	..	60·79

Further Government have invested Sinking Funds, and other ear-marked funds mainly in Government Securities.

6. According to the revised estimates for 1957-58 the total assets of the Government amount to Rs. 73·98 crores against a total liability of Rs. 60·76 crores. Thus the assets exceed the liabilities by Rs. 13·22 crores. Besides these assets Government also own other extensive and valuable assets in the form of buildings, lands, communications, forests, etc., which go to reinforce the already sound financial position of Government.

P. I. JACOB,
Finance Secretary.

FORM OF APPLICATION

4½ per cent. Kerala State Development Loan, 1970.

I/We ____

____

herewith tender cash/cheque for Rs.* ____________________

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securities of the 3 per cent. Cochin Loan 1955-58, of the nominal value of Rs. __________ and request that securities of the 4½ per cent. Kerala State Development Loan, 1970, of the nominal value of Rs. ____________________ may be issued to me/us in the form of $\frac{\text{Promissory Note (s)}}{\text{Stock Certificate (s)}}$ † of the denominations stated below:—

__________ Promissory Notes of Rs. __________ each

__________ Promissory Notes of Rs. __________ each

__________ Promissory Notes of Rs. __________ each.

2. I/We desire that interest be paid at ____________________

N.B.—The applicant should not write anything in this cage. The entries will be filled in by the Public Debt Office.

	Initials.	Date.
Application No.	....	....
N. B. Stamp	....	....
Cash Received	....	....
Cheque realised	....	....
Credited to Special Current Account	....	....
Examined	....	....
Cash Applications Register posted....	....	....
Brokerage Register posted	....	....
Tnlent No.	....	....
Scrip No.	....	....
Card No.	....	....
Voucher passed on	....	....

Signature......................................

Name (in full) ....

....

Address.......................................

....

Dated the July 1958.

"Certified that a sum of Rs.......................................being the purchase price at Rs.................. per cent. has been credited to Government Account under the appropriate head *vide* Chalan No..............dated.............................".

Treasury/Sub-treasury Officer.

Note 1.—Securities tendered for conversion should be endorsed with the words "Pay to the Governor of Kerala" over the signature of the applicant, if they are in the form of Promissory Notes, and the transfer deed on the back should be signed by him before a witness, if they are in the form of Stock Certificates.

Note 2.—Separate application should be made for each form of subscription and for each form of scrip (Stock Certificate or Promissory Note) of the New Loan required.

* Figures and words to be written here.

† Promissory Notes will be issued in denominations of Rs. 100, Rs. 500, Rs. 1,000, Rs. 5,000, Rs. 10,000, Rs. 25,000, Rs. 50,000 and Rs. 1,00,000. State here the particular denominations required.